

Message Text

LIMITED OFFICIAL USE

PAGE 01 OECD P 00771 101705Z

64

ACTION EUR-25

INFO OCT-01 IO-14 ISO-00 AGR-20 CEA-02 CIAE-00 COME-00

DODE-00 EB-11 FRB-02 H-03 INR-10 INT-08 L-03 LAB-06

NSAE-00 NSC-10 PA-04 RSC-01 AID-20 CIEP-02 SS-20

STR-08 TAR-02 TRSE-00 USIA-15 PRS-01 SPC-03 OMB-01

SCEM-02 SCI-06 DRC-01 /201 W
----- 064941

R 101628Z JAN 74

FM USMISSION OECD PARIS

TO SECSTATE WASHDC 1553

INFO USMISSION EC BRUSSELS

USMISSION GENEVA

LIMITED OFFICIAL USE OECD PARIS 0771

E.O. 11652: N/A

TAGS: EGEN, OECD

SUBJECT: TRADE COMMITTEE (TC) MEETING FEBRUARY 12-13;
PRELIMINARY PREPARATIONS

1. SUMMARY. CURRENT PRELIMINARY THINKING AMONG SECRETARIAT AND SELECTED PERM DELS IS THAT FEB 12-13 TC MEETING SHOULD FOCUS MAINLY ON TWO ITEMS, GOVERNMENT PURCHASING AND THE IMPLICATIONS FOR TRADE POLICY OF THE ENERGY SITUATION AND ITS ECONOMIC CONSEQUENCES. SAFEGUARDS AND SECTORAL ADJUSTMENT WILL ALSO BE SCHEDULED AS A FORMAL ITEM ON THE AGENDA BUT EXTENSIVE DISCUSSION NOT CONSIDERED LIKELY IN VIEW OF PROBABLE EC UNWILLINGNESS CARRY CONSULTATIONS THIS SUBJECT MUCH FARTHER AT THIS STAGE. TCWP ON JAN 18 WILL HAVE BRIEF PRELIMINARY DISCUSSION OF PREPARATIONS FOR TC MEETING. MISSION WOULD APPRECIATE ANY IDEAS OR GUIDANCE WASHINGTON MAY WISH TO OFFER IN LIGHT COMMENTS BELOW. END SUMMARY.

2. (A) AS AGREED AT LAST TC MEETING, GOVERNMENT PURCHASING
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 OECD P 00771 101705Z

WILL BE SCHEDULED AS ITEM FOR PRIORITY ATTENTION AT

FEB 12-13 TC MEETING. DISCUSSION WILL BE BASED ON PAPER HAMMERED OUT BY TCWP DEC 10-11 (USOECD 31728). FINAL VERSION OF PAPER WILL BE CIRCULATED TO DELS WITHIN TEN DAYS AFTER REVIEW BY TCWP CHAIRMAN.

(B) ENERGY SITUATION AND ITS ECONOMIC CONSEQUENCES PRE-DOMINATES OED THINKING THESE DAYS AND HAS RELEGATED OTHER IMPORTANT SUBJECTS, INCLUDING TRADE POLICY, TO BACKGROUND. TO EXTENT TRADE POLICY IS TOUCHED ON IN INFORMAL DISCUSSIONS HERE, IT IS USUALLY IN TERMS OF THREAT ENERGY CRISIS REPRESENTS AS BREAK ON PROGRESS IN MTN AND, I MORE PESSIMISTIC CIRCLES, AS POTENTIAL PRETEXT FOR BACKSLIDING ON CURRENT LEVELS OF TRADE LIBERALIZATION. SOME OBSERVERS SPEAK OF SHIFT IN EMHASIS FROM LIBERALIZED ACCESS TO MARKETS TO CONCERN FOR SECURING SUPPLY NOT ONLY FOR OIL BUT OTHER COMMODITIES AS WELL. RECALLING FAVORABLE REACTIONS TO INFORMAL, OFF-RECORD DISCUSSION OF MAJOR DEVELOPMENTS IN FIELD OF TRADE POLICY AT LAST TC MEETING (USOECD 28077), SECRETARIAT AND SELECTED PERM DELS FEEL OFF-RECORD DISCUSSION FOR FEB 12-13 MEETING SHOULD HAVE AS MAJOR THEME IMPLICATIONS FOR TRADE POLICY OF ENERGY SITUATION AND ITS ECONOMIC CONSEQUENCES. AS BACKGROUND INFORMATION AND POINT OF DEPARTURE FOR DISCUSSION, TC PARTICIPANTS COULD USE MATERIAL BEING PREPARED BY SECRETARIAT FOR SPECIAL EPC MEETING SET FOR FEB 14-15, (STATE 002951) AND USOECD 0541). CURRENT ATMOSPHERE CHARACTERIZED BY FEAR OF RECESSION, SHARP DETERIORATION IN OECD TRADE AND CURRENT ACCOUNT BALANCES, RISING UNEMPLOYMENT AND ATTENDANT SOCIAL PROBLEMS. DEFENSIVE PSYCHOLOGY GROWING IN POLITICAL-ECONOMIC CIRCLES. AS PARTIAL COUNTER TO GROWING MOOD OF PESSIMISM, WOULD BE HELPFUL FOR SENIOR TRADE POLICY OFFICIALS TO HAVE AN OPPORTUNITY TO AIR THEIR ANXIETIES AS WELL AS BE EXPOSED TO COGENT ARGUMENTATION OF US AND HOPEFULLY OTHER DELS STRESSING NEED FOR AND DESIRABILITY OF MAINTAINING LIBERAL TRADE POLICIES AND KEEPING UP MOMENTUM FOR PROGRESS IN MTN. IN ADDITION TO REPORTING ON CURRENT STATUS AND PROSPECTS FOR USG ACTION ON TRADE REFORM ACT, US REP TO TC MIGHT EMPHASIZE TRADE POLICIES TO BE ENCOURAGED AND PERHAPS THOSE TO BE AVOIDED IN PERIOD AHEAD. SHOULD DISCUSSION OF THIS SORT GAIN SUPPORT AT JAN 18 TCWP MEETING, LIKELIHOOD IS THAT LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 OECD P 00771 101705Z

TC CHAIRMAN HEMES WOULD FOLLOW UP WITH PERSONAL LETTER TO TC REPS IN CAPITALS SUGGESTING MAIN LINES DISCUSSION MIGHT TAKE.

(C) SECRETARIAT PLANS CIRCULATE PAPER ON SAFEGUARDS AND SECTORAL ADJUSTMENT FOR TC MEETING IN ABOUT TEN DAYS. IN LINE WITH WISHES EXPRESSED BY TC AT ITS LAST MEETING, SECRETARIAT PAPER WILL ATTEMPT TO LAY OUT IN SCHEMATIC WAY

MAIN OPTIONS AVAILABLE TO MEMBER COUNTRIES IN CONSIDERING AN EFFECTIVE MULTILATERAL SAFEGUARD MECHANISM, DRAWING HEAVILY ON VIEWS EXPRESSED AT PREVIOUS XCSS AND TC MEETINGS. PAPER WOULD INCLUDE DESCRIPTION OF OPTIONS, COMMENTARY AND QUESTIONS ABOUT EACH, AND HAVE THREE MAIN SECTIONS: (I) GATT ART. XIX AS NOW EMPLOYED, (II) GATT ART. XIX AS AMENDED BY INTERPRETIVE NOTE OR PROTOCOL, (III) TWO-TRACK SYSTEM AS SET FORTH BY US REPS TO TC AND XCSS. SECRETARIAT PAPER WILL ALSO CONTAIN BRIEF COMMENTARY ON EXISTING SAFEGUARD CLAUSES IN BILATERAL AGREEMENTS AND, AT MINIMUM, RAISE QUESTION AS TO HOW THESE SHOULD BE HANDLED IN CONTEXT OF SEEKING AN EFFECTIVE MULTILATERAL SYSTEM. ON CURRENT READING, NEITHER SECRETARIAT NOR SELECTED PERM DELS WOULD EXPECT EXTENSIVE TC DISCUSSION OF SAFEGUARDS UNLESS EC COMMISSION AND EC MEMBER COUNTRY DELS SHOWED GREATER WILLINGNESS THAN AT EARLIER MEETINGS TO ENGAGE IN SERIOUS DISCUSSION OF MAIN ISSUES.

3. MISSION AND SECRETARIAT FEEL AT THIS STAGE THAT FOREGOING THREE ITEMS ABOUT MOST TC COULD USEFULLY DISCUSS AT TWO-DAY MEETING ASSUMING THAT ONE FULL DAY WILL BE DEVOTED TO GOVERNMENT PURCHASING AND AT LEAST HALF DAY TO INFORMAL, OFF-RECORD DISCUSSION (POINT 2(B) ABOVE). REMAINDER OF MEETING WOULD CONSIST OF BRIEF DISCUSSION ON SAFEGUARDS AND PROBABLY ORAL REPORTS ON WORK IN PROGRESS INCLUDING (A) RESULTS OF JAN 17/18 MEETING OF TCWP ON QUESTION OF ADDITIONAL BENEFITS THAT MIGHT BE CONSIDERED FOR LDCs IN MTN, (B) EXPORT CREDITS, (C) INVENTORY OF EXPORT RESTRICTIONS, (D) UNCTAD SPONSORED COMMODITY CONSULTATIONS.

4. MISSION BELIEVES PRELIMINARY SCENARIO OF TC MEETING AS OUTLINED ABOVE IS WELL CONSIDERED AND WOULD PLAN TO LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 OECD P 00771 101705Z

SUPPORT IT AT TCWP MEETING JAN 18. MISSION WOULD WELCOME GUIDANCE OR ADDITIONAL IDEAS FROM DEPARTMENT.
ROGERS

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TRADE, COMMITTEE MEETINGS
Control Number: n/a
Copy: SINGLE
Draft Date: 10 JAN 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: garlanwa
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974OECDP00771
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: OECD PARIS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740151/aaaabvrm.tel
Line Count: 157
Locator: TEXT ON-LINE
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: garlanwa
Review Comment: n/a
Review Content Flags:
Review Date: 02 APR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <02 APR 2002 by kellew0>; APPROVED <14 MAY 2002 by garlanwa>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: n/a
TAGS: EGEN, OECD, TIC-2
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005